

## **BOARD OF COMMUNITY HEALTH**

December 8, 2005

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20<sup>th</sup> Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Richard Holmes, Vice Chairman; Chris Stroud, M.D., Secretary; Inman English, M.D.; Ann McKee Parker, Ph.D.; Mary Covington; Ross Mason; Kim Gay, and Mark Oshnock. Commissioner Rhonda Medows was also present. (A List of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

Mr. Holmes called the meeting to order at 12:05 p.m. The Minutes of the November 10 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Mr. Holmes welcomed new commissioner Dr. Rhonda M. Medows and asked her to give her report.

Dr. Medows said she was looking forward to working with the Department and Board over the next few months and years to improve the healthcare of the individuals served by this Department. She said she's met with staff to siphon as much information as possible. She said the meetings have been helpful to her because she felt that it was very important that she would know as much as possible in the beginning before she made any assumptions so that the Department could move forward with a new direction. She shared her focus, direction and observations with the Board.

Dr. Medows said the first and foremost observation was about herself. She said it does not matter if she's a regulator or physician, a consumer, an advocate; at the end of the day the question is going to be how is this decision and action going to affect the patient, consumer, beneficiary, or member. She said DCH runs three vitally important health programs--PeachCare, Medicaid and the State Health Benefit Plan—and it is the Department's responsibility and charter to be innovative and a leader in the development of new healthcare platforms as well as transformation of the healthcare system.

Dr. Medows stated the first priority is Medicaid and PeachCare transformation. She said Medicaid transformation in the State of Georgia is already here and in progress in the form of managed care transition work and disease management programs that the Department is responsible for now. She said she thinks it is very helpful and smart that discussion and debate about Medicaid modernization, reform, etc., continues over these next months and years, but today the focus will be Medicaid managed care transition work, as well as the disease management programs. Dr. Medows stated that we cannot move forward until those programs are implemented and we have done our jobs in terms of evaluating the performance of those programs and their effectiveness in providing care as well as their effectiveness in providing the financial stability of the programs themselves.

The second priority is the State Health Benefit Plan. She said the Department has the responsibility of making sure that teachers, state employees, and their families are well taken care of in the SHBP and oversight occurs timely and effectively to address the needs of its members.

The third priority is the development of the Department. She said the Department is a relatively young department and she sees opportunities for improvement: 1. Communications - proactive attempts to communicate the Department's messages, concerns, and issues for discussion and public viewing. This includes updating the external website and building an internal website to educate DCH staff; 2. Ethics - the Department will be updating its ethics codes and standards, developing new ones, and following the state statute as well as the Governor's rules; and 3. Health initiatives – grow the health initiative programs to take the lead in healthcare issues such as the uninsured and health disparities in the state.

The fourth priority is financial stability and program integrity of the three healthcare programs to ensure that in the long-term these programs are able to survive. Dr. Medows concluded her observations and views.

Mr. Holmes called on John Upchurch to give an update on United Healthcare's network expansion for the PPO network. Mr. Upchurch said United Healthcare has made three significant changes in their contract to facilitate providers coming into the network:

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elimination of the all products clause; allowing physicians to opt out of any affiliate networks; and clarifying fee schedule language. Mr. Upchurch said he believes this eliminated the major barriers to providers participating in the PPO and it does appear that United has made significant progress since they agreed to those changes. Last week Hamilton Medical Center and Murray Medical Center signed contracts with United and have agreed to participate in the PPO for next year. There is still significant work that needs to be done with the physicians in that area, and United is actively recruiting physicians. Sumter Regional, Crisp Regional, the Phoebe System (Phoebe Putney in Albany, Phoebe Worth and Southwest Regional Hospital) have signed contracts with United. Additionally, the Phoebe Physician Hospital organization has come to an agreement with United to messenger out contracts to their approximately 300 doctors. United is still in negotiations with Hart Medical Center in Hart County and Hughston Medical Center in Columbus. Also, United is working to add physicians in Douglas and Milledgeville. The SHBP staff is monitoring the network expansion on a daily basis. Mr. Upchurch concluded his update after addressing questions from the Board.

Mr. Holmes called on Carie Summers, Chief Financial Officer, to make her report. Ms. Summers reported on three items. First she discussed the FY 05 Financial Statements. She said the financial auditors presented the FY 05 Audit Agenda to the Audit Committee this morning. In the agenda it reflects a clean opinion on the Department's financial statements for FY 05, included various adjustments that were made on the financial statement, federal compliance findings and recommendations for management points. The second item is the budget status. The budget was submitted in September to the Governor's Office of Planning and Budget, and staff has been working with OPB staff answering various questions about DCH proposals as well as responding to requests so they can prepare the Governor's recommendation for the General Assembly in January. On November 29, DCH presented to the House Appropriations Subcommittee for Health and reviewed the Department's requested budget. On November 30, DCH staff met with the Governor and also reviewed the Department's budget proposal and discussed things the Department would like to do in FY 07 particularly the implementation of Administrative Services Organization functions, changes to the eligibility termination process, voluntary cost settlement program, and changes to the pharmacy program. Finally Ms. Summer gave an update on the Hospital Advisory Committee. The Committee has had three meetings and primarily discussed the Disproportionate Share Hospital (DSH) program, the data that has to be collected in order to calculate the DSH limits for individual hospitals, and the integrity of the data. The Department released last week the revised survey based on input from the HAC as well as the subcommittee spearheaded by the Georgia Hospital Association. Hospitals have until the middle of January to submit the survey and the Department will take that information and start modeling to see how various allocation methodologies that the Committee is considering will impact various hospitals. The next HAC meeting is December 20, 2005, 1:00 p.m., in the Capitol Education Center, Fireplace Room. The agenda will be a continued discussion about the DSH program and various allocation methodologies and financing. The HAC recommended four representatives from the hospital community to participate in a joint committee of DCH staff, GMCF staff and hospital representatives to review outlier payments such as cost centers that were most common where the Department has previously observed anomalies in the data and concerns that charge structures were not reasonable for some of those cost centers. The hospital representatives they appointed represent Children's Healthcare of Atlanta, Memorial Health of Savannah, Grady Hospital and Sun Healthcare Systems (which represent several small rural hospitals). Mr. Oshnock commended Ms. Summers and her team on their efforts in completing the FY 03, 04 and 05 audits in one year.

Mr. Holmes called on Kathy Driggers, Chief of Managed Care and Quality, to give a managed care transition status report. Ms. Driggers said the Department had reached a significant milestone with the Georgia Health Families (GHF) program; enrollment began on December 1. The Maximus call center opened for informational calls on November 1; ACS was able to successfully give that first eligibility file to Maximus; from that, Maximus began the mailings to members; enrollment meetings began last week and members are calling Maximus to enroll; there is also some web usage for enrollment; enrollment forms are coming in via mail; the managed care division is almost completely staffed; the 30, 60 and 90-day deliverables have been reviewed from all of the plans, and most all them have been approved; the operational readiness tool has been prepared for use with the CMOs; and

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staff are developing policies and procedures for GHF and are working on internal processes, i.e., reconciliations, reporting and monitoring. Ms. Driggers said ACS, Maximus and the CMOs continue to develop and refine their systems interfaces in preparation for upcoming readiness reviews. The Department procured the services of an external information technology readiness review vendor, FourThought Group, and the vendor has already performed its first review for the first phase and that was ACS and Maximus in their transfer of the eligibility files. Ms. Driggers said the Department is preparing for the upcoming readiness review in anticipation of April 1. It will be a two-pronged approach; operational readiness reviews performed by several teams from DCH managed care staff as well as systems readiness reviews that include on-site reviews. All three plans have passed their first milestone for primary care network adequacy and continue to augment that on a weekly basis. They are working now to build their specialty, ancillary and hospital networks. There are several more checkpoints along the way for network adequacy prior to go live. After addressing questions from the Board, Ms. Driggers concluded her report.

Mr. Holmes opened the meeting for public comment. Comments were given by John Crew, South Georgia Physicians Association; Jill Hay, Professional Association of Georgia Educators; and Jocelyn Whitfield, Georgia Association of Educators.

There being no further business to be brought before the Board at the meeting Mr. Holmes adjourned the meeting at 1:05 p.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE

\_\_\_\_\_ DAY OF \_\_\_\_\_, 2006.

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RICHARD L. HOLMES  
Vice Chairman

ATTEST TO:

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CHRISTOPHER BYRON STROUD, M.D.  
Secretary

Official Attachments:

- #1 List of attendees
- #2 Agenda